**CAEECC-Hosted Market Transformation (MT) Working Group: Goals & End Products; Ground Rules; and MT Principles/Characteristics**

*Note: The following was developed by the facilitation team as starting text to support the first three agenda items for the 12/6/2018 MT Working Group Meeting*

1. ***Proposed Goals End Products of MT WG***
2. ***Proposed Ground Rules for MT WG***
3. ***Candidate MT Principles***

**Market Transformation Definition** "*Market transformation is long-lasting, sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where continuation of the same publicly-funded intervention is no longer appropriate in that specific market. Market transformation includes promoting one set of efficient technologies, processes or building design approaches until they are adopted into codes and standards (or otherwise substantially adopted by the market), while also moving forward to bring the next generation of even more efficient technologies, processes or design solutions to the market”*D.[09-09-047](tel:09-09-047) **(see page 88-89)**

**Proposed Goals/End Products of CAEECC-Hosted Market Transformation Working Group:**

1. To develop a proposed market transformation framework (including the necessary processes and procedures) for developing, deploying, and monitoring market transformation initiatives in California.
2. To seek consensus (defined as unanimity) where feasible among Working Group Members
3. To document the proposed market transformation framework in a Final Report to the CPUC. The Final Report would include descriptions of all consensus recommendations, as well as descriptions of any alternative options on issues and elements where consensus was not reached as well as who supports each option.   
   * *Note as described below the supporters of any non-consensus options will have the lead responsibility in drafting the descriptions and rationale for those options.*

**Proposed Ground Rules of the CAEECC-Hosted MT Working Group:**

*Note: These are the ground rules for all CAEECC Working Groups with a few additions/edits noted in redline to accommodate the goals/needs of this negotiation process.*

**CAEECC Working Group Meetings**—These are dedicated meetings of CAEECC Members or their proxy/designees whose organizations are interested in specific topics of importance identified by the CAEECC (or the CPUC) for which CAEECC advice or recommendations are sought. The public will be given an opportunity to provide input periodically as time allows and at the discretion of the facilitator.

**At Meetings:**

1. Come prepared to discuss agenda items (by reviewing all documents disseminated prior to the meeting, conferring with your organization and other colleagues, etc.)
2. Be forthright and communicative about the interests and preferences of your organization and actively seek agreement if CAEECC recommendations/advice are being sought
3. Be clear so that everyone understands your interests and proposals
4. Be concise so that everyone who wants to provide input has an opportunity to do so
5. Minimize electronic distractions during meetings

**Between Meetings:**

1. Keep your organizations informed of developments in the CAEECC process
2. Confer with other Members during meeting breaks and in between meetings, as needed
3. Notify the Facilitator Team prior to the meeting (by telephone or e-mail) if you or your proxy cannot attend a meeting
4. Be responsible for actively tracking Facilitator Team and Co-Chair communications as well as relevant proceedings and policies
5. Provide input, feedback, and written material when requested by the Facilitation Team or Co-Chairs in a timely manner
6. Any presenter (Member or their proxy or designee) should have their presentation ready for posting at least five (5) business days prior to the meeting; and presenters should work with the Facilitator Team prior to the posting deadline to help ensure that materials are clear, concise, and on topic
7. Discuss pertinent matters with the Facilitator Team and Co-Chairs when and if the need arises

**Substantive Issues (Discussing Issues, Developing Options, and Exploring Agreement)**

1. The goal of the process is to fully explore substantive issues before the CAEECC, define options, elicit constructive feedback, clarify and narrow points of divergence, seek consensus where feasible, and document points of convergence and any remaining divergence.
2. During the substantive discussions, if a Member cannot agree with a substantive option under consideration that member should explain why and propose a specific alternative that he or she can support.
3. Documentation of consensus and multiple options on any particular issue in the Working Group’s Final Report would include a clear description of each option and supporting rationale, and include the Members supporting each option. The Working Group Members will review and approve the wording in the Final Report, and those supporting each option on a non-consensus issue will be responsible for drafting the final description and rationale for the option.
4. The Working Group in consultation with the CPUC will determine the most appropriate way to file the Final Report at the CPUC.
5. Prior to filing the Working Group’s Final Report, there will be an opportunity for other CAEECC Members who did not directly participate in the Working Group, to add their Organization’s name to the Report including ascribing to options for non-consensus issues (but not proposing any additional options).

**Process Issues**

1. For **process related issues** (including setting meeting dates, finalizing agenda designs, etc.) the Facilitator Team in consultation with the Co-Chairs, and after seeking input and feedback from Working Group Members, will have the responsibility to make these decisions.
2. All the other pre-existing CAEECC Facilitator roles and responsibilities will apply. See: https://docs.wixstatic.com/ugd/849f65\_68e76679fd054bd6ad34e1c2ba0a4168.pdf

**Candidate California Market Transformation Principles & Characteristics**

**Proposed Starting List of Potential MT Principles & Characteristics**

*Note: Following was facilitation team’s attempt to combine and refine principles discussed at 11/6/2018 CPUC workshop (from IOUs and NRDC), plus one submitted directly to the Facilitator by SDG&E. The characteristics were taken from the NEEA presentation at the same workshop.*

**Potential Market Transformation Principles:**

**Market transformation initiatives should:**

1. Help drive incremental savings to achieve SB 350 energy efficiency doubling goals and statewide GHG reduction goals; as well as assist IOUs in the achievement of their respective IRP goals
2. Minimize financial burden on ratepayers
3. Support and not stifle innovation for cost effective energy efficiency
4. Complement and not compete with resource acquisition programs
5. Use a stage-gate process for development and deployment
6. Leverage existing processes and forums where feasible

**Potential Market Transformation Characteristics:**

1. Whole market perspective – aligned with resource planning
2. Focus on long-term outcomes
3. Design grounded in barriers and opportunities
4. Sustained market change
5. Leverage points and natural market forces
6. Measured by market progress
7. Adaptively managed as markets change

Note: The above principles were drawn from the lists below, and characteristics were from NEEA slides at CPUC

**From NRDC’s Presentation at CPUC (11/6/2018)**

1. Implement new policy framework for MT
2. Use a stage-gate process for MT initiative development and deployment
3. Leverage existing collaboratives for input

**From IOU’s Joint Presentation at CPUC (11/6/2018)**

1. Minimize financial burden on ratepayers
2. Avoid stifling innovation for cost effective energy efficiency
3. Leverage existing processes and forums where feasible
4. MT initiatives should complement and not compete with RA

**From SDG&E Email to Facilitator (11/13/2018)**

1. Drive incremental savings to achieve SB 350 doubling goal; respective IRP goals; GHG reduction goals